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UNIVERSITY OF CALIFORNIA

Cucamonga County
Water District
Improvement District No.5
\$2,000,000 Waterworks Bonds
Election 1975, Series 1
General Obligation
Bidding Statement



Sale: April 7, 1976
Bartle Wells Associates

CORRECTION TO PAGE 11
BIDDING STATEMENT DATED MARCH 17, 1976

Environmental Impact Report—In conjunction with this sale of bonds and in anticipation of the project and improvements to be financed, the district has prepared an environmental impact report on a portion of the project to be financed with bond proceeds. Notices of determination for each proposed project were filed with the County Clerk of San Bernardino County on March 4, 1976. Any suit challenging the water district determinations and its negative declarations can not under California law be filed after 30 days after filing with the County Clerk.

SUGGESTED FORM OF PROPOSAL
FOR PURCHASE OF BONDS

The Honorable Board of Directors
Cucamonga County Water District
c/o O'Melveny & Myers
611 West Sixth Street
Los Angeles, California 90017

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

April 7, 1976

MAR 22 1976

Gentlemen:

UNIVERSITY OF CALIFORNIA

For \$2,000,000 Waterworks Bonds, Improvement District No. 5, Election 1975, Series 1, as described in the Notice Inviting Bids, which is incorporated herein and made a part of this proposal, we will pay the sum of \$2,000,000 a premium of \$ _____, and interest to the date of their delivery for bonds to bear interest at the annual rates set forth below:

Maturity				Maturity			
Cumulative	Date	Principal	Interest	Cumulative	Date	Principal	Interest
Bond Years	May 1	Amount	Rate	Bond Years	May 1	Amount	Rate
70	1978	\$35,000	_____%	6,230	1990	\$ 75,000	_____%
175	1979	35,000	_____%	7,505	1991	85,000	_____%
335	1980	40,000	_____%	8,945	1992	90,000	_____%
535	1981	40,000	_____%	10,560	1993	95,000	_____%
805	1982	45,000	_____%	12,360	1994	100,000	_____%
1,155	1983	50,000	_____%	14,450	1995	110,000	_____%
1,555	1984	50,000	_____%	16,750	1996	115,000	_____%
2,050	1985	55,000	_____%	19,375	1997	125,000	_____%
2,650	1986	60,000	_____%	22,345	1998	135,000	_____%
3,365	1987	65,000	_____%	25,565	1999	140,000	_____%
4,205	1988	70,000	_____%	29,165	2000	150,000	_____%
5,180	1989	75,000	_____%	33,165	2001	160,000	_____%

A certified or cashier's check in the amount of \$20,000 payable to the order of Cucamonga County Water District is enclosed.

(For information only, not part of proposal.)

Interest payable from May 1,
1976 through May 1, 2001 \$ _____

Less premium _____

Net interest payable _____

Net effective interest rate _____

(A list of members of our underwriting group
is attached.)

NOTICE INVITING BIDS ON \$2,000,000 GENERAL OBLIGATION BONDS OF THE CUCAMONGA COUNTY WATER DISTRICT FOR IMPROVEMENT DISTRICT NO. 5 THEREOF

NOTICE IS HEREBY GIVEN that sealed proposals for the purchase of \$2,000,000 par value general obligation bonds of the Cucamonga County Water District of San Bernardino County, California, for Improvement District No. 5 will be received on behalf of the Board of Directors of said District at the place and up to the time below specified:

TIME: Wednesday, April 7, 1976, 11:00 A.M.
PLACE: Offices of Messrs. O'Melveny & Myers, 36th Floor
 611 West Sixth Street, Los Angeles, California 90017
MAILED BIDS: O'Melveny & Myers
 611 West Sixth Street, Los Angeles, California 90017
 Attention: Ruth Modisette

OPENING OF BIDS: The bids will be received and opened at 11:00 A.M. on April 7, 1976 and reported to the Board of Directors at its meeting later the same day.

ISSUE: \$2,000,000 designated "Waterworks Bonds, Improvement District No. 5, Election 1975, Series 1" consisting of 400 Bonds, numbered 1 to 400, inclusive, of the denomination of \$5,000 each, dated May 1, 1976.

MATURITIES: The Bonds will mature in consecutive numerical order on May 1 in the amounts for each of the several years as follows:

Year	Principal Amount	Year	Principal Amount
1978.....	\$ 35,000	1990.....	\$ 75,000
1979.....	35,000	1991.....	85,000
1980.....	40,000	1992.....	90,000
1981.....	40,000	1993.....	95,000
1982.....	45,000	1994.....	100,000
1983.....	50,000	1995.....	110,000
1984.....	50,000	1996.....	115,000
1985.....	55,000	1997.....	125,000
1986.....	60,000	1998.....	135,000
1987.....	65,000	1999.....	140,000
1988.....	70,000	2000.....	150,000
1989.....	75,000	2001.....	160,000

INTEREST: The Bonds shall bear interest at a rate or rates to be fixed upon the sale thereof but not to exceed 8% per annum, payable annually the first year on May 1, 1977 and semi-annually on the first days of November and May thereafter.

PAYMENT: Said Bonds and the interest thereon will be payable in lawful money of the United States of America at the Corporate Agency Division of Bank of America National Trust and Savings Association in the City of Los Angeles, California, or at the principal office of any other paying agent for the District which may hereafter be appointed by the District.

REGISTRATION: The Bonds will be coupon bonds registrable only as to both principal and interest, and any registered Bond may be discharged from registration, all in accordance with the provisions in the resolution providing for the issuance of the Bonds (Resolution No. 1976-3-2, adopted March 3, 1976).

REDEMPTION: The Bonds maturing on or prior to May 1, 1987 shall not be subject to call or redemption prior to maturity. The Bonds maturing on or after May 1, 1988 or any of them may be called before maturity in whole or in part in inverse order of maturity and by lot within a maturity at the option of the Board of Directors of the District on May 1, 1987 or on any interest payment date thereafter upon payment of a redemption price equal to the principal amount thereof with accrued interest to the date of redemption, plus a premium equal to 1/2 of 1% of said principal amount for each year or fraction of a year from the redemption date to the maturity date.

PURPOSE OF ISSUE: The Bonds are to be issued to finance the acquisition, construction, improving and financing of water acquisition, treatment and distribution facilities of the Cucamonga County Water District for Improvement District No. 5 thereof.

SECURITY: Said Bonds are issued pursuant to the County Water District Law, Division 12 of the Water Code of the State of California. Under such law, except to the extent that payments can be made from revenues, an annual tax shall be levied and collected upon all taxable property within Improvement District No. 5 of the Cucamonga County Water District sufficient to pay the interest on the Bonds as it falls due and also to constitute a sinking fund for the payment of the principal of the Bonds on or before maturity.

TERMS OF SALE

INTEREST RATE: The maximum rate bid may not exceed 8% per annum, payable semi-annually. Each rate bid must be a multiple of 1/20 of 1%. No Bond shall bear more than one interest rate, and all Bonds of the same maturity shall bear the same rate. Each Bond must bear interest at the rate specified in the bid from its date to its fixed maturity date. Only one coupon will be attached to each Bond for each installment of interest thereon, and bids providing for additional or supplemental coupons will be rejected.

The rate on any maturity or groups of maturities shall not be more than 3% higher than the interest rate on any other maturity or group of maturities.

For the sequence of maturities beginning May 1, 1988, the interest rate specified for the Bonds of any maturity year shall not be less than the interest rate specified for the Bonds of any prior maturity year in such sequence of maturities.

AWARD: The Bonds shall be sold for cash only. All bids must be for not less than all of the Bonds hereby offered for sale and each bid shall state that the bidder offers par and accrued interest to the date of delivery, the premium, if any, and the interest rate or rates, not to exceed those specified herein, at which the bidder offers to buy said Bonds. Each bidder shall state in its bid the total net interest cost in dollars and the average net interest rate determined thereby, which shall be considered informative only and not a part of the bid.

HIGHEST BIDDER: The Bonds will be awarded to the highest responsible bidder or bidders considering the interest rate or rates specified and the premium offered, if any; provided that, as provided above, no bid will be considered unless such bid specifies, for Bonds maturing on May 1, 1988 and thereafter, that each interest rate must be equal to or greater than the rate for the preceding maturity. Subject to the foregoing provision, the highest bid will be determined by deducting the amount of the premium bid (if any) from the total amount of interest which the District would be required to pay from the date of said Bonds to the respective maturity dates thereof at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the District. The purchaser must pay accrued interest from the date of the Bonds to the date of delivery, computed on a 360-day year basis. The cost of printing the Bonds will be borne by the District.

RIGHT OF REJECTION: The District reserves the right, in its discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

PROMPT AWARD: The District will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the time herein prescribed for the receipt of proposals; provided that the award may be made after the expiration of the specified time if the bidder shall not have given to said Board notice in writing of the withdrawal of such proposal.

OFFICIAL STATEMENT: The District will furnish to the successful bidder or bidders, for use in connection with the resale of the Bonds, as many copies of the Final Official Statement as said bidder or bidders shall need in order to deliver one copy to each purchaser not purchasing

with a view to distribution. No charge will be made to the successful bidder or bidders for the first 250 copies of the Final Official Statement. The bidder or bidders shall use the Final Official Statement in connection with the public offering, if any, or with any other resale of the Bonds.

The successful bidder or bidders shall in writing provide the District with all information regarding such bidder or bidders and the nature of the public offering, if any, of the Bonds necessary in order to complete the cover of the Final Official Statement (the form of which was included in the Bidding Statement) and any other information the bidder or bidders or the District shall reasonably require to be included in the Final Official Statement. Each bidder shall warrant and represent to the District that the information furnished by such bidder does not contain an untrue statement of a material fact nor omit to state a material fact in connection with the information necessary to make such information not misleading.

PLACE OF DELIVERY: Delivery of said Bonds will be made to the successful bidder at the Corporate Agency Division of Bank of America National Trust and Savings Association, Los Angeles, California, or at such other place as may be agreed upon by the successful bidder and the Secretary of the District. Payment for the Bonds shall be made in Federal Reserve Bank Funds or other immediately available funds.

PROMPT DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that said Bonds will be delivered to the successful bidder within thirty days from the date of sale thereof. The successful bidder shall have the right, at its option, to cancel the contract of purchase if the District shall fail to execute the Bonds and tender them for delivery within sixty days from the date herein fixed for the receipt of Bonds, and in such event the successful bidder shall be entitled to the return of the check accompanying its bid. The District reserves the right to deliver the Bonds in temporary form, exchangeable for definitive Bonds.

FORM OF BID: Each bid, together with the bid check, must be in a sealed envelope, addressed to the District, with the envelope and bid clearly marked "Proposal for \$2,000,000 principal amount Waterworks Bonds, Improvement District No. 5, Election 1975, Series 1 of the Cucamonga County Water District."

BID CHECK: A certified or cashier's check on a responsible bank or trust company in the amount of \$20,000 payable to the order of the District must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for said Bonds in accordance with the terms of its bid. The check accompanying any accepted proposal shall be applied on the purchase price or, if such proposal is accepted but not performed, unless such failure of performance shall be caused by any act or omission of the District, shall then be cashed and the proceeds retained by the District. The check accompanying each unaccepted proposal will be returned promptly.

CHANGE IN TAX EXEMPT STATUS: At any time before the Bonds are tendered for delivery, the successful bidder may disaffirm and withdraw the proposal if the interest received by private holders from bonds of the same type and character shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax laws enacted subsequent to the date of this Notice.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses of printing CUSIP numbers on the Bonds shall be paid by the District, but the CUSIP Service Bureau charge for the assignment of said numbers shall be paid by the purchaser.

CLOSING PAPERS—LEGAL OPINION: Each proposal will be understood to be conditioned upon the District furnishing to the purchaser, without charge, concurrently with payment for and delivery of the Bonds, the following closing papers, each dated the date of such delivery:

(a) Legal Opinion—The unqualified opinion of O'Melveny & Myers of Los Angeles, California, Bond Counsel for the District, approving the validity of the Bonds and stating that interest on the Bonds is exempt from income taxes of the United States of America under present federal income tax laws, and that such interest is also exempt from personal income taxes of the State of California under present state income tax laws (A copy of said opinion of O'Melveny & Myers, certified by an officer of the District by facsimile signature, will be printed on the back of each Bond. No charge will be made to the purchaser for such printing or certification.);

(b) A certificate of the General Manager of the District to the effect that at the time of the sale of the Bonds and at all times subsequent thereto up to and including the time of the delivery of the Bonds, the Official Statement relating to said Bonds did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and having attached thereto a copy of the Official Statement;

(c) A certificate of the General Manager of the District that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds;

(d) A certificate signed by an officer of the District that there is no litigation threatened or pending affecting the validity of the Bonds;

(e) The signature certificates of the officers and representatives of the District, showing that they have signed the Bonds, whether by facsimile or manual signature, and that they were respectively duly authorized to execute the same; and

(f) The receipt of the Treasurer of the District showing that the purchase price of the Bonds, including interest accrued to the date of delivery thereof, has been received by the District.

INFORMATION AVAILABLE: Requests for copies of the Official Statement pertaining to the Bonds or for other information concerning the District should be addressed to Bartle Wells Associates, financing consultants to the District, 100 Bush Street, San Francisco, California 94104.

GIVEN by order of the Board of Directors of the Cucamonga County Water District adopted on March 17, 1976.

/s/ LLOYD W. MICHAEL

*Secretary of the Cucamonga County
Water District*

ADOPTED, SIGNED AND APPROVED this 17th day of March, 1976.

/s/ CHARLES T. VATH

*President of the Cucamonga County
Water District*

ATTEST:

/s/ LLOYD W. MICHAEL

*Secretary of the Cucamonga County
Water District*

(SEAL)

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO } SS.

NEW ISSUE


 MOODY'S RATING _____
 STANDARD & POOR'S
 RATING _____

\$2,000,000

Cucamonga County Water District
 Improvement District No. 5
 San Bernardino County, California

Waterworks Bonds, Election 1975, Series 1
General Obligations

The bonds are general obligation bonds of the Cucamonga County Water District for Improvement District No. 5 and the water district has the power and is obligated to levy an unlimited ad valorem tax upon all taxable property in Improvement District No. 5 for payment of principal of and interest on the bonds.

Principal and interest (payable the first year on May 1, 1977 and semiannually on November 1 and May 1 through May 1, 2001) is payable at the Corporate Agency Division of the Bank of America N.T. & S.A. Los Angeles, California. Issued as coupon bonds in the denomination of \$5,000, registrable only as to both principal and interest.

The bonds maturing on or after May 1, 1988, are subject to redemption prior to maturity as a whole or in part as is more fully described in this Official Statement.

MATURITY SCHEDULE**To Be Dated: May 1, 1976****To Mature: May 1**

Year	Amount	Rate	Yield or Price	Year	Amount	Rate	Yield or Price
1978.....	\$ 35,000	%	%	1990.....	\$ 75,000	%	%
1979.....	35,000			1991.....	85,000		
1980.....	40,000			1992.....	90,000		
1981.....	40,000			1993.....	95,000		
1982.....	45,000			1994.....	100,000		
1983.....	50,000			1995.....	110,000		
1984.....	50,000			1996.....	115,000		
1985.....	55,000			1997.....	125,000		
1986.....	60,000			1998.....	135,000		
1987.....	65,000			1999.....	140,000		
1988.....	70,000			2000.....	150,000		
1989.....	75,000			2001.....	160,000		

The bonds are offered when, as and if issued and are subject to the approving opinion of O'Melveny & Myers, Bond Counsel, Los Angeles, California as to the validity of the bonds. In the opinion of bond counsel, interest on these bonds is exempt from Federal and California state income taxes under existing statutes, regulations and judicial decisions.

Bids to be received at 11:00 a.m., Wednesday, April 7, 1976, at the offices of O'Melveny & Myers, 36th Floor, 611 West Sixth Street, Los Angeles, California, 90017.

Official Statement prepared by: **BARTLE WELLS ASSOCIATES**
 Municipal Financing Consultants
 100 Bush Street, San Francisco, California 94104
 (415) 981-5751

77 00749

CUCAMONGA COUNTY WATER DISTRICT

San Bernardino County, California

Organized March 1955

9641 San Bernardino Road
Cucamonga, California 91730

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PROFESSIONAL SERVICES

O'Melveny & Myers, Los Angeles, *Bond Counsel*

Bartle Wells Associates, San Francisco,
Municipal Financing Consultant

Bank of America, N.T. & S.A., *Paying Agent*

Thrall, Lavanty & Baseel, Upland, *Auditors*

Surr & Hellyer, San Bernardino, *Legal Counsel*

No dealer, broker, salesman or other person has been authorized by the water district to give any information or to make any representations, other than those contained in this official statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the district. This official statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Data in this statement were obtained from sources believed current and reliable. Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this official statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the district since the date hereof.

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OFFICIAL STATEMENT
of the
CUCAMONGA COUNTY WATER DISTRICT

\$2,000,000 Waterworks Bonds
Improvement District No. 5,
Election 1975, Series 1
General Obligation

INTRODUCTION

The purpose of this official statement is to furnish information in connection with the sale by the Cucamonga County Water District (herein called the "district") of \$2,000,000 aggregate principal amount of Waterworks Bonds, Improvement District No. 5, Election 1975, Series 1 (herein called the "Bonds"). The Bonds are general obligation bonds, and, except to the extent that the Bonds may be payable from revenues of Improvement District No. 5, the Bonds are payable, both principal and interest from ad valorem taxes to be levied upon all taxable property in Improvement District No. 5.

The Bonds constitute the first issue of the \$8 million in general obligation bonds that were authorized at an election held within Improvement District No. 5 on May 27, 1975. The Bonds are being issued pursuant to Resolution No. 1976-3-2 of the district, adopted March 3, 1976, (the "Resolution") and to the County Water District Law (Division 12 of the Water Code of the State of California).

This official statement presents a brief description of the water district including its territory and government; information regarding the water district budget, finances, economic condition, tax base and debt management; and information regarding the water district's contingent liabilities.

THE BONDS

The statement herein concerning the Bonds and the Resolution are brief summaries of certain provisions thereof. They do not purport to be complete. Reference should be made to the Bonds and the Resolution for a full and complete statement of their respective provisions. Copies of the Resolution in reasonable quantity may be obtained from the district.

Date of Sale: Wednesday, April 7, 1976 at 11:00 A.M., at the offices of O'Melveny & Myers, 36th Floor, 611 West Sixth Street, Los Angeles, California.

Date of Bonds: May 1, 1976.

Denomination: \$5,000.

Interest: Payable May 1, 1977 and semiannually thereafter on November 1 and May 1.

Maturities: Annually, on May 1 as follows:

1978-79	\$ 35,000	1992	\$ 90,000
1980-81	40,000	1993	95,000
1982	45,000	1994	100,000
1983-84	50,000	1995	110,000
1985	55,000	1996	115,000
1986	60,000	1997	125,000
1987	65,000	1998	135,000
1988	70,000	1999	140,000
1989-90	75,000	2000	150,000
1991	85,000	2001	160,000

Redemption: Bonds maturing on or before May 1, 1987 are not callable. Bonds maturing on or after May 1, 1988 are callable as a whole or in part on May 1, 1987 or on any interest payment date thereafter, in inverse order of maturity and by lot within each maturity, upon payment of a redemption price equal to the principal amount with accrued interest to date of redemption plus a premium of ½ percent for each year or fraction of a year from the date of redemption to the date of maturity.

The Resolution provides for at least 30 days notice of such call and redemption prior to maturity to be published in a financial newspaper or journal of national circulation published in New York, New York, or Los Angeles, California and for the mailing of such notice to the owners of registered Bonds.

Registration: The Bonds are being issued as coupon bonds, registrable only as to both interest and principal. Any Bond may be discharged from registration at the office of the secretary of the district. Upon discharge from registration, the secretary, in his discretion, may cause a new Bond to be issued. The cost of such issuance will be charged to the owner of the Bond being discharged from registration.

Security: The Bonds are general obligation bonds, payable from taxes levied within Improvement District No.

5 or other available revenues. The district has the power and is obligated to levy ad valorem taxes annually on all taxable property in Improvement District No. 5 without limitation as to rate or amount for bond service on this issue and on certain other outstanding general obligation bond issues.

Payment: Principal and interest and redemption premium, if any, are payable at the Corporate Agency Division of Bank of America National Trust & Savings Association in Los Angeles, California.

Additional Bonds: Additional bonds ranking equally with the Bonds may be issued by the district. The board of directors of the district expects that no additional bonds will be offered for sale prior to May 1, 1977.

Amendments to the Resolution: The Resolution may be amended without consent of the bondholders for the following purposes: (1) to cure any ambiguity or for defect or omission; (2) to grant or confer upon the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon them.

The Resolution and the rights and obligations of the district and the bondholders may be modified or amended at any time by supplemental resolution adopted by the district with the consent of bondholders holding at least 60 percent in aggregate principal amount of the outstanding Bonds (exclusive of Bonds owned by the district) provided that no such modification or amendment shall, without the express consent of the bondholders affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon, or change the monetary medium in which principal and interest is payable, nor shall any such modification or amendment reduce the percentage of consent required for amendment or modification.

Remedies: The Resolution provides that the Resolution, the Bonds, the resolution awarding the bonds and fixing the interest rate, and any other resolution supplementing or amending the Resolution in accordance with the provisions thereof, constitute a contract between the district and the bondholders and are enforceable by any bondholder by any action or proceeding now or hereafter authorized under California law.

Legal Opinion: The opinion of Messrs. O'Melveny & Myers, Los Angeles, California (Bond Counsel) approving the validity of the Bonds will be supplied free of charge to the original purchasers at the time of delivery of the Bonds to them. A copy of the legal opinion will be printed on each bond without charge to the successful bidder.

The statements of law and legal conclusions set forth herein under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal proceedings required for the authorization of the Bonds, and to rendering

opinions as to the validity of the Bonds and exemption of interest on the Bonds from income taxation. The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other materials of any kind concerning the Bonds not mentioned in this paragraph.

Tax Exemption: In the opinion of Bond Counsel, under existing statutes, regulations and court decisions, interest on the Bonds is exempt from present federal income taxes and from California personal income taxes.

Official Statement: The district will furnish to the successful bidder for use in connection with the resale of the Bonds, as many copies of the final official statement as said bidder shall need in order to deliver one copy to each purchaser not purchasing with a view to distribution. No charge will be made to the successful bidder for the first 250 copies of the final official statement. The bidder shall use the final official statement in connection with the public offering, if any, or with any other resale of the Bonds.

The successful bidder shall in writing provide the district with all information necessary in order to complete the cover of the final official statement and any other information the bidder or the district shall reasonably require to be included in the final official statement. Each bidder shall warrant and represent to the district that the information furnished by such bidder does not contain an untrue statement of a material fact nor omit to state a material fact in connection with the information necessary to make such information not misleading.

Closing Certificates: The successful bidder will be furnished, at the time the Bonds are delivered the following certificates:

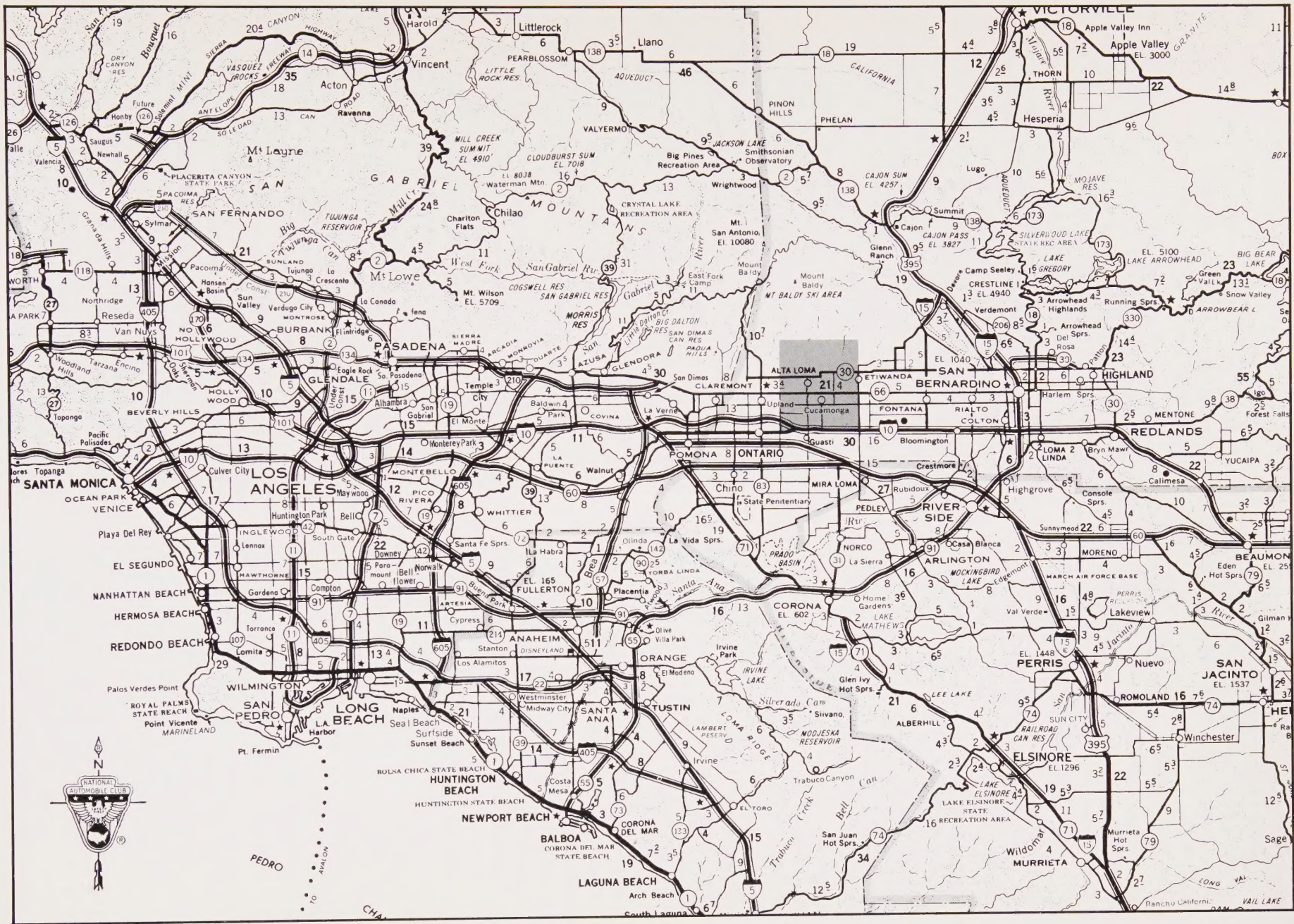
(a) A certificate of the general manager of the district to the effect that the official statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) A certificate of the general manager of the district that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds.

(c) A certificate signed by an officer of the district that there is no litigation threatened or pending affecting the validity of the Bonds.

(d) The signature certificates of the officers and representatives of the district, showing that they have signed the Bonds, whether by facsimile or manual signature, and that they were respectively duly authorized to execute the same.

(e) The receipt of the treasurer of the district showing that the purchase price of the Bonds, including interest accrued to the date of delivery thereof, has been received by the district.



Vicinity map. Cucamonga County Water District appears as the shaded area. Base map reproduced by permission of National Automobile Club, copyright owner.

THE DISTRICT

FORMATION AND ORGANIZATION

The initial district was organized in March of 1955 under the provisions of the County Water District Law (Division 12 of the State of California Water Code) following an election within boundaries established by the San Bernardino County Board of Supervisors. The water district is governed by a five-member Board of Directors elected on a staggered basis for four year terms. A brief biography of each board member and the secretary-general manager is as follows:

Charles T. Vath, *President of the Board*. Mr. Vath has been a resident of the water district for over 20 years. He is a pharmacist, businessman and owner of three drug stores. He has served on the board since 1964.

Arthur H. Bridge, *Board Member and Vice President*. Mr. Bridge is a native of the water district and is presently retired. Prior to his retirement, he was Commander of the Air National Guard located at the Ontario International Airport. He is presently managing his family's citrus operations which began in the early 1900's. He has served on the board since 1972.

Frank Lesinsky, *Board Member*. Mr. Lesinsky has been employed by Otis Elevator Company for 39 years. He is the Plant Manager of the Otis Elevator Plant located within the Cucamonga County Water District. He has served on the board since 1970.

Robert Nesbit, *Board Member*. Mr. Nesbit has served on the board since 1955 and is an original director of the water district. He has been a businessman and agriculturalist in the district since 1919.

Galer Royer, *Board Member*. Mr. Royer is a retired engineer. Prior to his retirement he was engaged with all phases of water development for the Metropolitan Water District of Southern California. He is an original board member of the water district and has served continuously except for a two year period.

Lloyd W. Michael, *Secretary-General Manager*. Mr. Michael, has been a resident of the district since 1947. He was appointed by the board as General Manager in 1972. He served as a member of the board and president from 1968 to 1972. He has a background in construction, building materials and citrus agriculture.

The water district now occupies an area of approximately 22,000 acres within San Bernardino County. It is bounded on the west by the City of Upland, on the south by the City of Ontario, on the east by Etiwanda Avenue and on the north by the foothills of the San Gabriel Mountains. The district provides water and sewer service to an area which includes the unincorporated

communities of Cucamonga, Alta Loma, and a part of Etiwanda.

For its first five years, the district concentrated solely on development of a water system. A \$1,200,000 general obligation bond authorization in 1955 and a \$3,700,000 general obligation bond authorization in 1957 were used to fund district-wide water system programs. Ad valorem tax revenues from the entire district are used to service these bonds.

Improvement District No. 2 was created by Cucamonga County Water District and \$300,000 general obligation bonds were authorized and approved by voters of the improvement district at an election held July 9, 1957. Improvement District No. 2 consists of 1,510 acres of land in the northwest corner of the district. The district sold \$100,000 of Improvement District No. 2 authorization in 1957 and constructed a large line from the district's Reservoir No. 6. In 1972 the district sold the remaining \$200,000 of Improvement District No. 2 bonds to complete the originally planned facilities. A \$10 per acre or \$7 for parcels less than one acre standby charge is levied within Improvement District No. 2 to service these bonds.

The board of directors adopted a general plan on February 7, 1968, for proceeding with construction of water facilities and creating Improvement District No. 3. A loan of \$550,000 was made to Improvement District No. 3 by the general district to be repaid on a 16-year debt service schedule at 5.5 percent interest.

In 1961 the district began construction of sewerage facilities financed initially with existing revenues and contributions from property owners. These activities led to the formation of Sewer Improvement District 1963-1 in 1963 and a \$1,500,000 general obligation bond issue was approved by the voters that same year. The bonds of the improvement district were sold in two series and all of said bonds have now been issued and sold. Improvement District No. 1963-1 presently covers the southerly 22 square miles of the district and serves all principal residential portions and all the developed and undeveloped western industrial areas. Ad valorem tax revenues are used to service the bonds issued for Improvement District No. 1963-1.

The current Bonds are being issued for Improvement District No. 5. This is the first issue of the \$8 million principal amount of general obligation bonds that were authorized at the May 27, 1975 election. Improvement District No. 5 includes the entire unincorporated portion of the district together with a few parcels within the City of Ontario.

OUTSTANDING DEBT

Upon sale of the \$2,000,000 Waterworks Bonds, Improvement District No. 5, Election 1975, Series 1, \$6,000,000 principal amount of authorized bonds will remain unsold. The district including all improvement districts has no other authorized but unsold bonds.

The table at the bottom of this page lists the general obligation bonds issued for water and sewers programs since the water district's formation.

The accompanying tabulation shows a five year summary as of June 30 of the total outstanding bonded indebtedness of the district, improvement districts and assessment district.

CUCAMONGA COUNTY WATER DISTRICT FIVE YEAR HISTORY OF BONDED INDEBTEDNESS

June 30	Total Bonds Outstanding*
1971.....	\$4,419,000
1972.....	6,682,163
1973.....	6,353,393
1974.....	5,948,393
1975.....	5,539,622

* Includes entire district, improvement districts and assessment districts.

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The Cucamonga County Water District issued a negotiable promissory note to Bank of America N.T. & S.A. on December 1, 1974 in the amount of \$47,044.83 to finance the purchase of a computer. Interest on the note is 7¼ percent and the principal becomes due in five equal annual payments of \$11,550.73. The first annual principal was paid on December 1, 1975. The note may be prepaid without penalty. Management of the water district indicates there are no present plans for additional short term borrowing.

ESTIMATED ANNUAL BOND SERVICE

The table on the following page shows the actual combined outstanding general obligation bond service for the 1955 Waterworks Bonds; 1957 Waterworks Bonds, Series 1, 2, 3, 4, and 5; Improvement District No. 2, Election 1957 Series 1 and 2; Improvement District No. 1963-1, Sewer Bonds, Election 1963, Series A and B. Also shown is the estimated bond service for the Bonds based upon an estimated interest rate of 7 percent.

DISTRICT DEBT LIMITS

The district may borrow money, incur indebtedness and issue bonds or other evidences of indebtedness and may refund or retire any indebtedness or lien against the district or its property. General obligation bond authorization requires more than two-thirds of the votes cast at an election to be in favor of incurring the indebtedness. A vote of a majority of the voters voting upon the measure is required to authorize the water district to issue refunding bonds. Revenue bonds can be authorized, issued and sold by the water district if a majority of the voters voting are in favor of the measure. There is no constitutional debt limitation for a county water district. The above requirements of voter approval are statutory. The district may issue negotiable promissory notes, for purposes other than flood control, not to exceed at any time one percent of the assessed valuation in the district and payable not later than five years from date of issue.

ASSESSED VALUATION

The San Bernardino County Assessor determines the assessed valuation for all property within the county except utility property, which the State Board of Equaliza-

CUCAMONGA COUNTY WATER DISTRICT OUTSTANDING GENERAL OBLIGATION BONDS*

Issue	Bond Sales		Principal Outstanding April 7, 1976
	Amount	Date	
1955 Waterworks Bonds.....	\$1,200,000	11/55	\$ 500,000
1957 Waterworks Bonds, Series 1.....	180,000	3/58	30,000
1957 Waterworks Bonds, Series 2.....	1,250,000	5/58	800,000
1957 Waterworks Bonds, Series 3.....	450,000	3/61	279,000
1957 Waterworks Bonds, Series 4.....	800,000	6/68	730,000
1957 Waterworks Bonds, Series 5.....	1,020,000	4/72	980,000
Improvement District No. 2 Election 1957, Series 1.....	100,000	8/57	16,000
Improvement District No. 2 Election 1957, Series 2.....	200,000	4/72	180,000
Improvement District No. 1963-1 Sewer Bonds, Election 1963, Series A	725,000	9/63	560,000
Improvement District No. 1963-1 Sewer Bonds, Election 1963, Series B	725,000	9/65	670,000
	<u>\$6,650,000</u>		<u>\$4,745,000</u>

* All bond service is being paid from ad valorem tax revenues, except Improvement District No. 2 bond service which is paid from acreage standby charges.

**CUCAMONGA COUNTY WATER DISTRICT
COMBINED ANNUAL BOND SERVICE—ALL GENERAL OBLIGATION BONDS**

Estimated Bond Service—\$2,000,000 I.D. No. 5, Series 1

Year Ending May 1	Principal Outstanding May 1	Interest Estimated at 7%	Principal Maturing May 1	Total Bond Service	Actual Bond Service Outstanding G.O. Bonds	Total Bond Service All Issues
1977.....	\$2,000,000	\$ 140,000	\$ —	\$ 140,000	\$ 419,148	\$ 559,148
1978.....	2,000,000	140,000	35,000	175,000	411,969	586,969
1979.....	1,965,000	137,550	35,000	172,550	402,630	575,180
1980.....	1,930,000	135,100	40,000	175,100	403,390	578,490
1981.....	1,890,000	132,300	40,000	172,300	403,585	575,885
1982.....	1,850,000	129,500	45,000	174,500	398,295	572,795
1983.....	1,805,000	126,350	50,000	176,350	388,088	564,438
1984.....	1,755,000	122,850	50,000	172,850	387,922	560,772
1985.....	1,705,000	119,350	55,000	174,350	392,277	566,627
1986.....	1,650,000	115,500	60,000	175,500	331,157	506,657
1987.....	1,590,000	111,300	65,000	176,300	326,686	502,986
1988.....	1,525,000	106,750	70,000*	176,750	327,123	503,873
1989.....	1,455,000	101,850	75,000*	176,850	263,005	439,855
1990.....	1,380,000	96,600	75,000*	171,600	253,721	425,321
1991.....	1,305,000	91,350	85,000*	176,350	236,735	413,085
1992.....	1,220,000	85,400	90,000*	175,400	228,810	404,210
1993.....	1,130,000	79,100	95,000*	174,100	211,295	385,395
1994.....	1,035,000	72,450	100,000*	172,450	218,610	391,060
1995.....	935,000	65,450	110,000*	175,450	215,400	390,850
1996.....	825,000	57,750	115,000*	172,750	121,995	294,745
1997.....	710,000	49,700	125,000*	174,700	121,775	296,475
1998.....	585,000	40,950	135,000*	175,950	126,150	302,100
1999.....	450,000	31,500	140,000*	171,500	71,550	243,050
2000.....	310,000	21,700	150,000*	171,700	68,250	239,950
2001.....	160,000	11,200	160,000*	171,200	64,950	236,150
2002.....	—	—	—	—	61,650	61,650
		\$2,321,550	\$2,000,000	\$4,321,550	\$6,856,166	\$11,177,716

* Callable on or after May 1, 1976.

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tion assesses. The State Board of Equalization reports that San Bernardino County assessed valuation for 1975/76 was 24.5 percent of full cash value and that utility property was assessed at 25 percent of full cash value.

Under state law 50 percent of the assessed valuation of business inventories is exempt from taxation. The State of California Constitution provides for a current exemption of \$7,000 of the total valuation of an owner-occupied dwelling which translates into a \$1,750 property assessed valuation exemption. Revenue lost to local taxing agencies due to such exemptions is fully reimbursed by a state subvention. In 1975/76 Improvement District No. 5 did not appear on the San Bernardino County tax rolls. The accompanying tabulation shows the 1975/76 net taxable valuation and the amount of reimbursable exemptions for all property included within Improvement District No. 5. Improvement District No. 5 accounts for 89.4 percent of the total assessed

valuation of the entire water district. Shown in the tabulation on the following page is the five-year summary of the assessed valuation of the entire water district.

**CUCAMONGA COUNTY WATER DISTRICT
IMPROVEMENT DISTRICT NO. 5
ESTIMATED 1975/76 ASSESSED VALUATIONS**

Assessment Roll	Net Taxable Assessed Valuation	Reimbursable Exemptions	Assessed Valuations Subject to Tax Levy
Local secured ...	\$73,239,770	\$11,885,270	\$ 85,125,040
Unsecured	9,154,480	3,205,975	12,360,455
Utility	4,873,450	—	4,873,450
Total	\$87,267,700	\$15,091,245	\$102,358,945

**CUCAMONGA COUNTY WATER DISTRICT
FIVE YEAR HISTORY OF ENTIRE WATER DISTRICT ASSESSED VALUATIONS**

Fiscal Year	Net Secured Valuation	Net Utility Valuation	Net Unsecured Valuation	State Reimbursed Exemptions	Total Tax Base
1971/72.....	\$55,551,830	\$4,123,120	\$4,133,200	\$ 4,140,880	\$ 67,949,030
1972/73.....	65,798,570	4,358,210	4,530,690	4,504,250	79,191,720
1973/74.....	63,518,140	4,473,250	4,962,350	11,815,730	84,769,470
1974/75.....	69,810,940	5,045,780	6,795,670	14,657,730	96,310,120
1975/76.....	81,976,485	5,272,450	9,643,530	17,589,715	114,472,180

TAX RATES AND LIMITATIONS

In 1972 and 1973 the California Legislature passed legislation intended to limit increases in ad valorem property tax revenue. This legislation generally limits all future tax rates to that levied in 1971/72 except where enabling legislation sets a specific rate limitation. Tax rate levies for duly authorized general obligation bonds are not restricted. Institution of new ad valorem tax levies by the district for purposes other than general obligation bond service is limited and may only be authorized by a majority vote of the electors.

The district levies taxes over the entire district and over two improvement districts only for bond service on outstanding general obligation bonds. The accompanying tabulation shows a five-year summary of the assessed valuations and tax rates within the entire district and each improvement district supporting bonded debt. In Improvement District No. 3, only land is subject to a property tax.

There are 76 tax code areas within the district. Tax code area 6001 within Improvement District No. 5 contains 11.8 percent of the assessed valuation of the entire district. The total tax rate and its major components

within this code area, which is representative of code areas within the improvement district, are shown in the accompanying table.

**CUCAMONGA COUNTY WATER DISTRICT
TOTAL 1975/76 TAX RATES (per \$100 Assessed Valuation)
Code Area 6001**

County of San Bernardino.....	\$ 3.1466
Schools	6.0927
Cucamonga County Water District (water bond)	0.3100
Cucamonga County Water District Improvement District No. 1963-1 (sewer bond).....	0.1300
Foothill Fire Protection District.....	0.7219
Flood Control District.....	0.3000
Metropolitan Water District (Mid-Valley).....	0.1600
Chino Basin Municipal Water District.....	0.5500
County Service Areas.....	0.3350
All Property Total Rate.....	\$11.7462
Chino Basin Water Conservation.....	0.2145*
Total All Rates.....	\$11.9607

* Land only.

Source: San Bernardino County Auditor-Controller.

**CUCAMONGA COUNTY WATER DISTRICT
FIVE YEAR SUMMARY OF ASSESSED VALUATIONS AND TAX RATES LEVIED BY THE DISTRICT**

Fiscal Year	Entire District		Improvement District No. 1963-1		Improvement District No. 3	
	Assessed Valuation	Tax Rate ^①	Assessed Valuation	Tax Rate ^①	Assessed Valuation ^②	Tax Rate ^①
1971/72.....	\$ 67,949,030	\$0.36	\$51,562,660	\$0.16	\$6,683,020	\$1.75
1972/73.....	79,191,720	0.33	59,081,240	0.14	7,138,960	1.70
1973/74.....	84,769,470	0.33	63,959,530	0.14	7,179,540	1.70
1974/75.....	96,310,120	0.33	73,894,410	0.14	7,204,460	1.70
1975/76.....	114,472,180	0.31	89,128,995	0.13	7,389,305	2.00

① Per \$100 assessed valuation.

② Land only.

Source: San Bernardino County Auditor-Controller.

TAX COLLECTIONS

In accordance with the State of California Revenue and Taxation Code, the San Bernardino County Tax Collector collects secured tax levies for the fiscal period July 1 to June 30 in each year. One-half of the taxes are due November 1, and become delinquent December 10 at a penalty of 6 percent. The other half of taxes is due February 1, and if unpaid by April 10, a 6 percent penalty is added. A charge of \$3.00 for preparing the list of delinquent parcels is also attached to each delinquent tax item. The delinquent tax list is published on or before June 8, advertising the properties to be sold to the state for non-payment of taxes. On June 30 properties are sold to the state. Property owners may redeem property sold to the state upon payment of delinquent taxes and penalties.

After a property is sold to the state, a redemption penalty of 1 percent per month is charged on the amount of taxes due. A redemption fee of \$2.00 is also charged on each parcel.

Property owners unable to redeem in full are able to use the installment plan of redemption, whereby they must pay current taxes plus 20 percent of the amount delinquent. Interest accrues at $\frac{1}{2}$ of 1 percent per month on the unpaid balance. Thus, over a five year period, owners can redeem their property by paying 20 percent plus accrued interest each year.

If nothing has been paid on a property at the end of the fifth fiscal year after which any portion of the taxes have been delinquent, the property is deeded to the state on or about July 1. These properties may thereafter be conveyed by the San Bernardino County tax collector as provided by law.

The following table shows the tax delinquency as of June 30 of each year since 1971/72. The amounts levied, collected, and delinquent represent the total secured taxes for all taxing agencies within the entire district. The district uses a 4 percent delinquency allowance in setting its tax rate.

CUCAMONGA COUNTY WATER DISTRICT TAX LEVIES AND DELINQUENCIES*

Year Ending June 30	Taxes Levied	Taxes Collected	Amount Delin- quent	Percent Delin- quent
1972....	\$6,914,093	\$6,637,823	\$276,270	4.00%
1973....	8,581,315	8,302,442	278,873	3.25
1974....	9,013,870	8,710,679	303,191	3.36
1975....	9,987,595	9,468,863	518,732	5.19

* All taxing agencies within the district. Delinquency statistics for only district levies not available.

Source: San Bernardino County Auditor-Controller.

SERVICE CHARGES AND ACCOUNTS

Cucamonga County Water District provides both water and sewer service. The following table shows a history of the number of active water meter accounts, sewer accounts and irrigation accounts.

Rates for water service are fixed by resolution of the board of directors. Resolution No. 1975-23-D adopted January 29, 1975 fixes the present rates, rules and regulations for the service of water. Domestic water service charges are billed bi-monthly and are based on the metered flow delivered. The following table summarizes the present water rates for metered service.

CUCAMONGA COUNTY WATER DISTRICT ACTIVE SERVICE ACCOUNTS

Date	Total Water Meter Accounts	Total Sewer Accounts	Total Irrigation Accounts
June 1967.....	4,160	1,497	99
June 1968.....	4,300	1,852	121
June 1969.....	4,451	2,170	82
June 1970.....	4,667	2,488	87
June 1971.....	5,113	2,823	95
June 1972.....	5,428	3,327	92
June 1973.....	5,625	3,542	86
June 1974.....	6,029	4,044	79
June 1975.....	6,739	4,478	81
Jan. 1976.....	7,114	4,912	95

Source: Cucamonga County Water District.

CUCAMONGA COUNTY WATER DISTRICT DOMESTIC WATER SERVICE RATES

Meter Size	Water	Bi-monthly Minimum Rate*
$\frac{5}{8}$ " x $\frac{3}{4}$ ".....	800 cubic feet	\$ 4.00
$\frac{3}{4}$ " x $\frac{3}{4}$ ".....	800 cubic feet	4.00
1".....	800 cubic feet	6.00
1 $\frac{1}{2}$ ".....	800 cubic feet	8.00
2".....	800 cubic feet	10.00
3".....	800 cubic feet	12.00
4".....	800 cubic feet	15.00
6".....	800 cubic feet	19.00
8".....	800 cubic feet	24.00
10".....	800 cubic feet	30.00
12".....	800 cubic feet	34.00

* Over 800 cubic feet, but less than 50,000 cubic feet, at \$0.22 per 100 cubic feet. Over 50,000 cubic feet at \$0.16 per 100 cubic feet.

Source: Ordinance 1975-23-D.

Ordinance No. 1975-24-B adopted January 29, 1975 fixes the present rates, rules and regulations for sewer services within the district. The board of directors may by resolution, alter, change and amend, or revise the charges and rates for services and facilities in connection with the community sewer system. The following table summarizes the present domestic and industrial sewer service charges which are billed bimonthly with the water bill.

CUCAMONGA COUNTY WATER DISTRICT SEWER SERVICE CHARGES

Domestic Sewer Service

Single family residence.....	\$1.75 per month
Multiple dwelling	
residences	\$1.50 per month per unit
Hotels and motels.....	\$1.50 per month per unit
Trailer parks	\$1.50 per month per occupied unit
Schools (Average pupil load based on October ADA)...	\$1.12 per student per month
Commercial or industrial...	\$1.75 per month, or an established percentage of metered water used.

Industrial Sewer Service

Minimum charge	\$1.10 per 100 cubic feet of water discharged
Surcharges for excess strength waste	
BOD over 350 mg/l.....	\$0.16 per pound dry weight
Suspended solids over 450 mg/l	\$0.15 per pound dry weight

Source: Ordinance No. 1975-24-B.

OPERATING STATEMENT

The tables on the following page present in summary form the revenue and expenditure financial data for the Cucamonga County Water District. The tables include the audited five-year operating statements for both the district's water and sewer system enterprises. The tables were prepared by Bartle Wells Associates, Municipal Financing Consultants, financing consultant to the district. The tables were prepared from annual audits prepared for the district by independent certified public accountants, Thrall, Lavanty & Baseel, an accountancy corporation, Upland, California. The unaudited statistics were prepared on the basis of the district's records. Included as appendices to this official statement are:

Appendix A — Opinion of independent certified accountant.

Appendix B — Schedule of bonded indebtedness, June 30, 1975.

Appendix C — Income statement water — general fund, June 30, 1975.

Appendix D — Income statement sewer — general fund, June 30, 1975.

Appendix E — Consolidated balance sheet, June 30, 1975.

Appendix F — Statement of changes in consolidated fund balance, June 30, 1975.

Appendix G — Consolidated income statement, June 30, 1975.

Appendix H — Statement of changes in consolidated financial position, June 30, 1975.

Appendix I — Consolidated balance sheet, June 30, 1974.

Appendix J — Statement of estimated direct and overlapping bonded debt.

A complete copy of the latest audited financial report is available at the district offices.

INSURANCE

The water district maintains a variety of insurance coverage including comprehensive general liability (bodily injury, \$500,000/\$500,000; property damage, \$100,000/\$100,000), comprehensive excess liability (bodily injury and property damage, \$5,000,000 each), fire and extended coverage of buildings and contents (\$634,800), and fidelity coverage (all employees, \$20,000, excess for general manager, assistant general manager, comptroller and warehouseman, \$80,000). All employees are covered by workmen's compensation. The water district maintains public official liability insurance in the amount of \$1,000,000.

LITIGATION

The district is not a party to any legal proceedings the outcome of which could materially affect the district's ability to perform its obligations to its bondholders. The district is party to four lawsuits, two of which relate to acquisition of property rights by the district and two of which are claims for damages against the district. In the opinion of the district's management the liability under these suits will cause no material impairment of the ability to meet debt service obligations.

PENSION OBLIGATIONS

Employees of the district participate in a defined-benefit pension plan which is administered in accordance with a contract by the State of California Public Employees' Retirement System (PERS). PERS is a statewide system operated pursuant to Title 2, Division

**CUCAMONGA COUNTY WATER DISTRICT
WATER SYSTEM OPERATING STATEMENT**

CUCAMONGA COUNTY WATER DISTRICT WATER SYSTEM OPERATING STATEMENT						1975/76	
	1970/71	1971/72	1972/73	1973/74	1974/75	Actual to Dec. 31	Budget through June 30
OPERATING REVENUES							
Water sales.....	\$ 461,993	\$ 545,907	\$ 518,076	\$ 587,512	\$ 676,114	\$ 531,576	\$ 855,100
Water services	6,829	10,612	7,042	9,041	16,127	12,612	13,225
NON-OPERATING REVENUES							
Rent and lease income.....	1,270	2,083	2,265	8,116	8,727	1,025	4,354
Interest	52,543	51,883	119,228	142,048	114,818	277*	74,700
Taxes and assessments	229,622	256,643	282,990	294,473	330,136	159,186	493,875
Other (incl. utility plant contributions) ..	181,974	171,246	392,267	308,236	215,216	127,870	116,828
Total Revenues	\$ 934,231	\$ 1,038,374	\$ 1,321,868	\$ 1,349,426	\$ 1,361,138	\$ 832,546	\$ 1,558,082
OPERATING EXPENSES							
Source of supply and treatment.....	\$ 7,032	\$ 14,140	\$ 22,215	\$ 11,521	\$ 26,902	\$ 9,755	\$ 24,470
Pumping	125,088	155,222	186,722	278,906	311,146	199,862	361,484
Transmission and distribution.....	53,505	67,465	59,557	73,439	69,504	26,478	61,209
Customer accounts	20,051	24,720	29,197	38,282	41,813	18,479	30,869
Administrative and general.....	71,990	94,314	129,526	138,527	172,001	118,208	293,520
Depreciation and amortization.....	92,385	98,166	99,991	102,795	107,180	*	n.a.
Other	105	475	1,624	1,933	796	678	46,400
NON-OPERATING EXPENSES							
Interest on long-term debt.....	130,445	123,018	188,107	181,988	175,498	84,590	168,074
Other interest	1,486	—	—	—	—	3,411	2,142
Other	3,266	4,186	3,434	2,117	8,133	1,454	21,780
Total Expenses.....	\$ 505,353	\$ 581,706	\$ 720,373	\$ 829,508	\$ 912,973	\$ 462,915	\$ 1,009,948
Net Water Utility Income.....	\$ 428,878	\$ 456,668	\$ 601,495	\$ 519,918	\$ 448,165	\$ 369,631	\$ 548,134
Utility Plant—Water System End of Year.	\$6,414,986	\$6,863,359	\$7,484,408	\$7,999,801	\$8,342,360	—	—

* Determined as of June 30th each year.

Source: District audited financial statements, unaudited 6 months ending December 31, 1975 statement of cash receipts and disbursements, and district 1975/76 budget.

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**CUCAMONGA COUNTY WATER DISTRICT
SEWER SYSTEM OPERATING STATEMENT**

CUCAMONGA COUNTY WATER DISTRICT SEWER SYSTEM OPERATING STATEMENT						1975/76	
						Actual to Dec. 31	Budget through June 30
	1970/71	1971/72	1972/73	1973/74	1974/75		
OPERATING REVENUES							
Service charges	\$ 67,049	\$ 77,945	\$ 92,074	\$ 113,806	\$ 144,502	\$ 98,490	\$ 168,000
Fees	1,294	2,576	4,830	2,874	3,664	2,560	2,700
Other	350	—	—	—	368	—	500
NON-OPERATING REVENUES							
Connection and annexation charges....	7,481	5,781	7,422	10,996	26,764	166,541 ^①	19,000
Ad valorem taxes.....	75,658	80,381	85,606	87,543	103,089	17,066	116,354
Interest	39,957	28,233	29,865	52,516	65,862	16,418	55,350
Other	125,259	79,166	289,988	99,862	226,312	80,516	45,250
Total Revenues	\$ 317,048	\$ 274,082	\$ 509,785	\$ 367,597	\$ 570,561	\$ 381,591	\$ 407,154
OPERATING EXPENSES							
Sewage disposal	\$ 17,793	\$ 20,454	\$ 24,510	\$ 69,570	\$ 85,043	\$ 61,754	\$ 126,083
Administration and general.....	4,555	10,104	14,717	25,270	42,633	15,000	30,000
Depreciation and amortization.....	39,740	41,841	65,198	63,527	60,242	②	n.a.
NON-OPERATING EXPENSES							
Interest	54,385	52,960	51,410	49,942	48,460	23,835	46,870
Other	1,699	—	—	190	—	823	2,740
Total Expenses	\$ 118,172	\$ 125,359	\$ 155,835	\$ 208,499	\$ 236,378	\$ 101,412	\$ 205,693
Net Sewer System Income.....	\$ 198,876	\$ 148,723	\$ 353,950	\$ 159,098	\$ 334,183	\$ 280,179	\$ 201,461
Utility Plant—Sewer System End of Year.	\$3,107,250	\$4,248,616	\$4,539,079	\$4,627,890	\$4,788,277	—	—

① Includes \$151,136 Chaffey College payment to reserve sewer system capacity.

② Determined as of June 30th each year.

Source: District audited financial statements, unaudited 6 months ending December 31, 1975 statement of cash receipts and disbursements, and district 1975/76 budget.

5, Part 3 of the Government Code. State law requires that PERS undergo actuarial review not less often than every fourth year. Actuarial Systems, Inc., independent actuaries and consultants, has completed a review of PERS' actuarial experience for the four year period ending June 30, 1973 and has made actuarial valuations of the system as of June 30, 1973 and June 30, 1974. In its report, dated May 15, 1975, the actuary identified an "unfunded supplemental liability" of \$1,072,453,578, as of June 30, 1974, for the local miscellaneous employees group, which would include employees of the Cucamonga County Water District. The year earlier "unfunded supplemental liability" was \$925,615,287. The actuary attributed the increase to increases in benefits during the year and to salary increases at rates exceeding previous actuarial assumptions. The "unfunded supplemental liability" for all local member groups (including local miscellaneous employees), as of June 30, 1974, was \$2,253,170,086 and for all state member groups, an additional \$2,796,321,603. Respective totals for the previous year were \$1,840,927,628 and \$1,970,191,819. The actuary's report includes a discussion of new actuarial assumptions to provide for amortization of unfunded liabilities in the various member groups within PERS. Notwithstanding the generally adverse actuarial experience in the four year period ending June 30, 1973, the actuary concluded that the Public Employees Retirement System is fiscally sound. Additional information is available from State of California Public Employees' Retirement System, 1416 Ninth Street, Sacramento, California 95814.

State law provides that, when rendered necessary by changes in benefits or by periodic actuarial review, PERS may modify the amounts of annual pension contributions by agencies contracting with it. The number of employees of the Cucamonga County Water District participating in the pension plan and the aggregate annual contributions by the district in each of the past five calendar years are set forth in the following table:

Year	Number of Participating Employees as of December 31	Contributions by the District (to nearest \$1)
1971.....	19	\$ 8,574
1972.....	16	12,352
1973.....	20	13,651
1974.....	19	16,247
1975.....	22	18,837

The increase in contributions in 1972 over the previous year is attributable to an increase in benefits and amortization of previously unfunded pension liabilities.

The report of the actuary, referred above, states that "it is understood that appropriate (new) rates will be developed" for employer contributions to the local miscellaneous employees member group, "recognizing the demographic and economic characteristics of such agencies." The Cucamonga County Water District has not been advised of the extent of any increase in contributions which may be required of it. Management of the district does not believe that any such increase in pension contributions will have a material effect on the financial position of the district.

ENVIRONMENTAL PROTECTION LEGISLATION

Air Quality—The water district is in an area that has been designated a "critical air area" by the California Air Resources Board and as an Air Quality Control Area under the California Transportation Control Plan promulgated by the Environmental Protection Agency, acting pursuant to the Federal Clean Air Act. The district does not anticipate that such designations will restrict the district in any way that will affect its ability to levy an ad valorem property tax as necessary to meet district expenses for debt service.

Water Quality—Pursuant to the Federal Safe Drinking Water Act, the Environmental Protection Agency has proposed regulations applicable to public water systems. The regulations establish maximum contaminant levels and require development and use of certain quality control, treatment and testing procedures. The cost of complying with the act, its implementing regulations, and other applicable standards will depend upon a number of factors including the overall quality of water available to a public water system and the nature and extent of any specific local contamination problems. In the opinion of the management of the Cucamonga County Water District, the quality of water available to the district is excellent and will continue to be so in the foreseeable future. Management of the district advises that the district currently is in compliance with the act, its implementing regulations presently in force, and with applicable state standards. Management further advises that it anticipates that no substantial increase in operating expenditures will be required to continue to comply with water quality laws and regulations.

Environmental Impact Report—In conjunction with this sale of bonds and in anticipation of the project and improvements to be financed, the district has prepared an environmental impact report on a portion of the project to be financed with bond proceeds. Notices of determination for each proposed project were filed with the County Clerk of San Bernardino County on March 4, 1976. Any suit challenging the water district determinations and its negative declarations can not under California law be filed after 30 days after filing with the County Clerk.



Top: Philips Industries, Inc., a metal fabricating firm, located in the district in 1968 and now employs about 150.

Left: Ontario International Airport serves the Riverside-San Bernardino-Ontario metropolitan area and is the auxiliary airport when Los Angeles International is closed by weather. Over 1 million passengers used the airport during 1974.

Below: Chaffey College in Alta Loma is a two-year community college located within Cucamonga County Water District.



Above: General Knit of California's 265,000 square foot plant located in the district contains a design center and texturing, knitting, dyeing, and finishing departments.



Above: Frito-Lay, Inc. is a major producer of snack foods.

Right: In 1961, Otis Elevator Company, still one of the district's biggest employers and taxpayers, opened a plant in the district which manufactures both electric and hydraulic elevators.



THE PROJECT

A "Master Plan for Water System Development" (1957) was prepared by James M. Montgomery, Consulting Engineers, Inc., Pasadena, California, for the district, "to develop information and outline the most feasible way the district could develop a domestic system, integrating wherever possible all existing systems of the various local water purveyors." The plan was adopted by the district and initiated. In a contract dated March 9, 1973, the Board of Directors of the Cucamonga County Water District retained James M. Mont-

gomery, Consulting Engineers, Inc., to revise the master plan of 1957, and related improvement district plans, over an expanded proposed service area. In May 1974 an engineering report entitled "Cucamonga County Water District — Water System Development Plan" was published.

This report outlines the water system requirements and recommended water management programs. It includes an estimate of the capital costs to support a population of 89,000 residents and industry by the year 2020. The following tabulation is the proposed 1974 to 1980 schedule of primary facility improvements and cost estimates identified in the May 1974 Water System Development Plan report.

CUCAMONGA COUNTY WATER DISTRICT SCHEDULE OF PRIMARY FACILITY IMPROVEMENTS AND COST ESTIMATES FROM 1974 TO 1980

Projection Description	Estimated Cost
Fiscal Year 1974/75	
Site Acquisition, Res. 5B (1.5 ac).....	\$ 13,000
Site Acquisition, Res. 4B (1.5 ac).....	13,000
Site Acquisition, Res. 4, Tank 2 (1.0 ac).....	9,000
Site Acquisition, Res. 3, Tank 3 (2.0 ac).....	17,000
Site Acquisition, Res. 6B (0.3 ac).....	3,000
Const. of Res. 5B (32 ft. steel; 1.0 mg.).....	215,000
Const. of Res. 6B (24 ft. steel; 0.1 mg) w/Chlor. Sta., Monitoring and Control Equipment.....	80,000
Const. of Res. 4, Tank 2 (32 ft. steel; 1.5 mg)....	265,000
Transmission System from Res. 6B to Pressure Zone 4 w/meters and Pressure Reducing Valves (8650 ft. of 16 in.).....	176,000
Distribution Main from Deer Canyon Trans. Main to Pressure Zone VI (2000 ft. of 10 in.)...	24,000
Discharge Piping from Pump Sta. 1a to Existing 16-inch Line on Archibald Ave. and Future 7th St. (700 ft. of 24 in.) with an Additional P.R. Valve (6 in.).....	25,000
Upgrade Ioamosa Well incl. Chlor. Sta.....	13,000
Re-equip Hermosa Well incl. Chlor. Sta.....	48,000
Development of Deer Canyon Collection System	75,000
Acquisition of Water Co. Stock.....	35,000
Total Fiscal Year 1974/75 Present Cost.....	\$1,011,000
Adjusted for 8% Per Year Cost Increase.....	\$1,092,000

Fiscal Year 1975/76	
New Well at Res. 3 Site w/Chlor. Sta.....	\$ 150,000
Development of Deer Canyon Collection System	75,000
Acquisition of Water Co. Stock.....	35,000
Total Fiscal Year 1975/76 Present Cost.....	\$ 260,000
Adjusted for 8% Per Year Cost Increase.....	\$ 303,000

Projection Description	Estimated Cost
Fiscal Year 1976/77	
Const. of Res. 3, Tank 3 (32 ft. steel; 4.5 mg)....	\$ 508,000
Const. of Pump Sta. 1a (310 hp; 5000 gpm).....	276,000
Acquisition of Water Co. Stock.....	35,000
Total Fiscal Year 1976/77 Present Cost.....	\$ 819,000
Adjusted for 8% Per Year Cost Increase.....	\$1,032,000

Fiscal Year 1977/78	
New Well in Cucamonga Channel w/Chlor. Sta. and Header Pipe (500 ft. of 24 in.).....	\$ 168,000
Transmission Main from Cucamonga Channel Wells to Archibald Transmission Main (9400 ft. of 24 in.).....	351,000
Acquisition of Water Co. Stock.....	35,000
Total Fiscal Year 1977/78 Present Cost.....	\$ 554,000
Adjusted for 8% Per Year Cost Increase.....	\$ 753,000

Fiscal Year 1978/79	
New Pump at Sta. 1a (150 hp; 2500 gpm).....	\$ 20,000
Site Acquisition, Res. 2, Tank 2 (1.5 ac).....	13,000
Acquisition of Water Co. Stock.....	35,000
Total Fiscal Year 1978/79 Present Cost.....	\$ 68,000
Adjusted for 8% Per Year Cost Increase.....	\$ 100,000

Fiscal Year 1979/80	
New Well in Cucamonga Channel w/ Chlor. Sta. and Header Pipe (1000 ft. of 24 in.).....	\$ 187,000
Construction of Res. 2, Tank 2 (32 ft. steel; 3.5 mg).....	431,000
Acquisition of Water Co. Stock.....	35,000
Total Fiscal Year 1979/80 Present Cost.....	\$ 653,000

Adjusted for 8% Per Year Cost Increase.....	\$1,036,000
Total 1974-1980 Present Cost.....	\$3,365,000
Adjusted for 8% Per Year Cost Increase.....	\$4,316,000

The \$2,000,000 Waterworks Bonds, Election 1975, Series 1, is the first issue of the \$8,000,000 bond authorization approved on May 27, 1975 for Improvement District No. 5. Bond proceeds will be used to finance the first phase of the scheduled implementation of the 1974 Water System Development Plan.

The first phase may include any of the following the total estimated costs of which exceeds \$2,000,000.

- Ioamosa Water Company Well—refurbish.
- Hermosa Water Company Well—refurbish.
- Banyan Heights Water Company Well—refurbish.
- Rochester (Masi) Well—refurbish.
- Cucamonga Channel Well—drill new well.
- Acquisition of Water Company stock.
- Cucamonga Well Field Transmission Mains—install 3,100 lineal feet of 24-inch diameter main.
- Reservoir No. 2-2—Acquire approximately 8,100 square feet of land, remove the existing 1.0 million gallon tank, and install a new 4.5-million gallon steel reservoir tank.
- Reservoir No. 1-B—Acquire approximately 3.67 acres of land and install a 6.0-million gallon buried, reinforced concrete reservoir.
- Reservoir No. 3-3—Acquire approximately 1.5 acres of land and install a 4.5-million gallon steel reservoir tank.
- Reservoir No. 4-B—Install a 1.0-million gallon steel tank.
- Deer Canyon Collection System—Install approximately 11,000 linear feet of transmission pipe.

Each proposed improvement will supplement the water system already in existence and will augment existing storage or distribution facilities. None of the proposed improvements will necessitate subsequent improvements to be funded by later issues of bonds under the Improvement District No. 5 authorization of May 27, 1975. Although additional bonds may be issued to finance the above remaining and additional projects, each of the proposed projects is independent and does not require the completion of any other project for its implementation.

WATER SUPPLY

The Cucamonga County Water District currently draws approximately 11,600 acre feet annually of groundwater from both Cucamonga and Chino Basins. The source of water is the natural rainfall which averages 15 inches per year in the water district. Although groundwater has historically been the district's primary source of water, the district also has rights to appropriate water originating in Cucamonga, Deer, Day, and East Etiwanda Canyons through its ownership interests in the

Ioamosa, Hermosa, and Etiwanda Water Companies. The water district has rights to appropriate 20,312 acre feet of groundwater annually in both basins. The district also lies within the Chino Basin Municipal Water District, which is a member of the Metropolitan Water District of Southern California. The Chino Basin Municipal Water District can supply supplemental water at a maximum rate of 8,500 gallons per minute from the Colorado River, through the Metropolitan District's aqueducts. The Cucamonga County Water District does not now utilize this water under normal conditions, nor does the district management foresee utilizing this water before 1990. Management of the district is of the opinion that any increase in the cost of water purchased from the Chino Basin Municipal Water District will not have a material impact upon the financial position of the district.

The Chino Basin Municipal Water District is responsible for groundwater management in the Chino Basin. To finance groundwater replenishment programs, the Chino Basin Municipal Water District has levied a pump tax of \$2 per acre foot on groundwater pumped from the Chino basin. Management of the Cucamonga County Water District believes that any increased pump tax for the Chino Basin Management Program will not have a material adverse impact on the district's financial position or its ability to service its bonded indebtedness.

WASTEWATER

Chino Basin Municipal Water District (CBMWD) is the regional wastewater agency within the area of its jurisdiction, a region covering most of the Chino Groundwater Basin. The board of directors of Chino Basin Municipal Water District formed Improvement District "C" on August 23, 1972 to "undertake and implement a regional sewerage system." Improvement District "C" began operations on January 2, 1973 to provide transmission, treatment, reclamation, and disposal services to local collection agencies within the district. Services are presently being provided to CBMWD's Improvement District "B" (Los Serranos), Cucamonga County Water District, and the cities of Fontana, Ontario, Upland, Chino, and Montclair.

Improvement District "C" owns and operates interceptors and treatment facilities. The agencies it serves own and operate their own local collection systems.

The terms of service provided to contracting agencies were established in sewage service contracts with each contracting agency on August 14, 1972. Upon delivery of their wastes to the regional system, the collection agencies give up all rights to the water but do have the right of first purchase of reclaimed water in an amount equal to that which they deliver to the system.

Each contracting agency pays a service charge to Chino Basin Municipal Water District representing its pro rata share of annual audited operation costs. Share is based on metered flow.

Each contracting agency is responsible for billing its individual users.

DISTRICT ECONOMY

LOCATION

Cucamonga County Water District covers approximately 34 square miles in western San Bernardino County between the San Bernardino Freeway (interstate Highway 10) and the foothills of the San Gabriel Mountains. The district is adjacent to the Cities of Ontario on the south and Upland on the west and adjoins the Kaiser Steel, Fontana, plant to the east. The district is 41 miles east of Los Angeles, 24 miles west of San Bernardino, and about 27 miles northwest of Riverside. Most of the water district is unincorporated territory, although it includes over one square mile of the City of Ontario. The developed area of the district is primarily the unincorporated communities of Cucamonga, Alta Loma and a portion of Etiwanda. Elevation of the water district ranges from 1,100 to 2,500 feet.

POPULATION, INCOME AND EMPLOYMENT

Cucamonga County Water District population is estimated at approximately 26,000. Personal income in San Bernardino County has been increasing more rapidly than the county population rate. Personal income increased by 9.2 percent from 1972 to 1973, while county

population increased by less than one half of one percent.

The table at the bottom of this page shows a history of the county's total personal income from 1960 to 1973. Also shown is the county's median household effective buying income from 1970 to 1974.

The California State Department of Employment groups the San Bernardino, Riverside, and Ontario labor markets into one economic unit based upon the proximity of each area and the residence-commute patterns. The following table summarizes a five-year estimate of employment within this unit. According to the Southern Employment Data and Research Division, the Riverside-San Bernardino-Ontario SMSA's unemployment rate was 10.4 percent in February 1976. This unemployment rate is slightly higher than that of Los Angeles-Long Beach SMSA and of the entire State of California. The latter unemployment rates were 9.9 percent and 9.5 percent, respectively, in February 1976.

UTILITIES

Southern California Gas Company and Southern California Edison Company provide natural gas and electric power, respectively, for Cucamonga County Water District. The principal gas line in the district is a 36-inch diameter east-west transmission main with a capacity of approximately 400 billion cubic feet of natural gas per day. The Cucamonga County Water District's boundaries are adjacent to three sides of the Etiwanda steam generating plant of Southern California Edison Co. The plant has an electrical generating capacity of over 1,000,000 kw.

General Telephone Company of California serves the water district. It has in the district a headquarters service center for dispatching repair and maintenance crews. This center serves as a supply, garage, and equipment maintenance plant. The company maintains a central business office in Ontario.

INDUSTRY

The following table lists industrial acreage in the county area bounded on the east by Etiwanda Avenue, west by the City of Upland boundary, south by San Bernardino Avenue, and north by the San Bernardino National Forest Boundary. This area corresponds closely to the water district boundaries.

RIVERSIDE-SAN BERNARDINO-ONTARIO AREA ESTIMATED CIVILIAN EMPLOYMENT (000)

	1971	1972	1973	1974	1975
Agriculture	21.2	20.6	21.3	20.6	20.4
Construction	14.0	15.9	17.5	13.5	11.9
Manufacturing	51.9	53.7	56.0	54.6	49.7
Transportation, com- munications, utilities.	17.4	17.6	18.6	18.9	18.7
Trade, retail and wholesale	68.4	71.6	76.5	82.5	84.9
Finance, insurance, real estate	10.5	11.2	11.9	12.1	12.1
Services	56.7	60.1	64.3	68.3	69.6
Government	76.8	80.3	80.7	85.4	88.9
Mining	2.5	1.8	2.3	2.6	2.3
Total	319.4	332.8	349.1	358.5	358.5

Source: Area Manpower Review. Labor Market Bulletin.

SAN BERNARDINO COUNTY PERSONAL INCOME

	1960	1970	1971	1972	1973	1974
Total personal income (\$000).....	\$1,019,800	\$2,427,000	\$2,560,000	\$2,792,000	\$3,048,000	\$ n.a.
Per capita personal income.....	1,967	3,532	3,725	4,072	4,389	n.a.
Medium household effective buying income	—	n.a.	8,372	8,401	9,196	11,177

Sources: Security Pacific Bank; Sales Management Magazine.

The San Bernardino County Planning Department in December 1974 estimated that the percentage of industrial improved acreage within this area was 15 to 20 percent or 1,095 to 1,460 acres.

The following table lists the principal organizations and firms located within the water district and shows the estimated number of employees.

Located within the boundaries of Cucamonga County Water District is a nonreclaimable industrial wastewater

Land Use Classification	Acreage
Industrial M-R (restricted manufacturing).....	460
M-1 (limited manufacturing).....	2,720
M-2 (general manufacturing).....	4,120
Total Industrial/Manufacturing	7,300

CUCAMONGA COUNTY WATER DISTRICT MAJOR INDUSTRIAL EMPLOYERS

250 to 500 Employees

Ameron Steel Producing Division, Etiwanda

100 to 250 Employees

American Can Company, Alta Loma

Data-Design Laboratories, Cucamonga

Fasson, Cucamonga

Foremost Furniture Factories of California, Cucamonga

Frito-Lay, Inc., Cucamonga

General Knit of California, Cucamonga

Otis Elevator Company, Cucamonga

Robert Manufacturing Company, Cucamonga

Royal Creations, Inc., Cucamonga

Safetran Systems Corporation, Cucamonga

Sunshine Foods, Cucamonga

50 to 100 Employees

Ameron, Inc., Etiwanda

Abitibi Corporation, Cucamonga

Bennett Industries, Inc., Alta Loma

Circuit Design, Cucamonga

Columbia Ribbon & Carbon Mfg. Co., Inc., Cucamonga

Doughboy Recreational/Domain Industries, Inc.
Cucamonga

General Marble Corporation, Cucamonga

Hartwell Corporation, Cucamonga

Ken Craft Products, Inc., Cucamonga

Metropolitan Wire Goods Corporation, Cucamonga

Phillips Industries, Inc., Cucamonga

Quality Farms, Cucamonga

Scheu Manufacturing Company, Alta Loma

Schlosser Forge Company, Cucamonga

Specialty Finishes Company, Cucamonga

Star Finishing Company, Cucamonga

Stoner Communications, Cucamonga

Western Diversified Metals, Cucamonga

Western Metal Decorating, Inc., Cucamonga

Sources: San Bernardino County Industrial Directory; Cucamonga Chamber of Commerce Directory.

system constructed in western San Bernardino County by the Chino Basin Municipal Water District. The area is the only inland basin in the western United States to provide a segregated waste line to serve industry. Of the two lines installed in this system, the more northerly traverses the center of the district, and a parallel line runs along the district's southern border. A connecting link between the two lines also serves a large area in the district. The wastes are processed by the Los Angeles County Sanitation District. The availability of these waste lines allows for disposal of acid or caustics from metal fabricators or paper manufacturers, and chemicals and dyes from textile plants or any other non-reclaimable type wastewater.

TRANSPORTATION

Ontario International Airport (OIA) serves an estimated population of 3,000,000 in an area extending from Pasadena on the west to Riverside and San Bernardino on the east and including portions of north Orange County. Seven major air carriers provide daily service from OIA. They include Air California, Hughes Air West, Western, Continental, PSA, American and United Airlines. Golden West Airlines, a commuter line, provides connecting flights between Ontario and Los Angeles airports.

The water district is adjacent to a confluence of major transcontinental rail, and highway facilities. The Atchison, Topeka and Santa Fe Railway has its main transcontinental line through the southern third of the district plus a system of branches and drill tracks. The main lines of Southern Pacific and Union Pacific railways pass one and two miles, respectively, south of the district, and Southern Pacific has a branch line through the water district.

Interstate Freeway 10, the San Bernardino Freeway, adjoins the southern boundary of a portion of the district. U.S. Highway 66, Foothill Boulevard, and State Highway 30 traverse the central portions of the district. The Devore Freeway, a north-south route designated as Route 31, is being constructed from its intersection with Interstate Freeway 15 at Devore southwest, through the southeast corner of the district, to Corona, connecting the Foothill Freeway, the San Bernardino Freeway, Pomona Freeway and the Riverside Freeway.

BUILDING ACTIVITY

San Bernardino County compiles building statistics on the basis of districts in the county. District No. 100, the area in which Cucamonga County Water District is located, includes the unincorporated communities of Alta Loma, Cucamonga and Etiwanda plus unincorporated areas surrounding the Cities of Chino and Ontario.

The table on the following page shows the valuation of building permits issued over the last five years within District No. 100.

**CUCAMONGA COUNTY WATER DISTRICT
BUILDING PERMIT VALUATIONS, DISTRICT NO. 100 (West Valley)**

	1971	1972	1973	1974	1975*
Single	\$12,936,951	\$20,541,348	\$14,824,220	\$18,619,672	\$40,009,904
Duplex	292,818	27,192	—	—	—
Apartments	2,529,444	72,000	1,866,296	601,200	874,800
Total Residential	\$15,759,213	\$20,640,540	\$16,690,516	\$19,220,872	\$40,884,704
Commercial	\$ 3,432,716	\$ 2,200,875	\$ 3,262,600	\$ 4,335,101	\$ 2,038,293
Industrial	887,350	2,740,992	1,983,706	3,171,501	946,250
Public buildings	4,653,350	2,223	—	—	—
Other private facilities	525,887	264,883	314,754	486,568	63,480
Miscellaneous	1,662,589	3,706,695	1,771,891	2,115,008	2,166,734
Total New	\$26,921,105	\$29,556,208	\$24,023,467	\$29,329,050	\$46,099,461
Alterations	2,125,144	2,928,582	3,385,690	4,202,315	5,394,392
Total Permit Valuation	\$29,046,249	\$32,484,790	\$27,409,157	\$33,531,365	\$51,493,853

* Nine months through September 1975.

Source: San Bernardino County Building and Safety Department

COMMUNITY FACILITIES

The three principal elementary school districts serving the Cucamonga County Water District are Cucamonga, Alta Loma and Central School Districts. These three districts are part of Chaffey Union High School District which covers a large portion of western San Bernardino County.

Chaffey College has a campus located in the northeastern portion of Cucamonga County Water District. The college was reorganized as a junior college district in 1922. The campus was relocated to its present site within the district in 1960. The college offers two-year programs. Current average daily attendance is approximately 10,300 students. The staff is composed of 235 full-time and 300 part-time teachers supported by 228 non-teachers. The 1975/76 budget was \$13,953,593.

Other major colleges and universities include:

The Associated Colleges of Claremont (Pomona, Claremont Mens', Harvey Mudd, Scripps, Pitzer and Claremont Graduate School and University Center).

California State University, Fullerton.

La Verne College, La Verne.

University of Loma Linda, Loma Linda.

Chapman College, Orange.

California Institute of Technology, Pasadena.

University of Redlands, Redlands.

University of California, Riverside.

California State Polytechnic University, Pomona.

California State University, San Bernardino.

Whittier College, Whittier.

Southern California School of Theology, Claremont.

Banking facilities in Cucamonga include branches of the Bank of America N.T. & S.A., First National Bank and Trust Company of Ontario, Pomona First Federal Savings and Loan, Ontario Savings and Loan, and Wilmington Savings and Loan Association.

Other community facilities include 12 churches, the Red Hill Country Club, a five-acre Lions Club park including a community center and baseball field maintained by County Service Area No. 50, public swimming programs at Alta Loma High School and Chaffey College, and extensive riding and hiking trails in the adjacent foothills.

Two convalescent hospitals are located in the district. Regular hospital facilities are located in adjacent communities of Ontario, Upland and Fontana. San Bernardino also has extensive hospital facilities.

RECREATION

Year-round recreation is located within a 50 mile radius of the district and includes beaches, mountain resorts, desert resorts and metropolitan Los Angeles cultural attractions. The freeway system provides access to a wide choice of recreational opportunities. Residents of the area can pursue fishing, hunting, camping and water and snow skiing at various mountain resort areas. Desert spots including Palm Springs, Desert Hot Springs, the Salton Sea, Apple Valley and Lucerne Valley provide golfing, hiking and water-related sports activities. Newport Beach, Balboa and Huntington Beach are located within one hour's drive and provide a variety of water activities, such as boating, surfing, fishing and swimming.

ROBERT A. THRALL, C.P.A.
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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

August 25, 1975

Board of Directors
Cucamonga County Water District
Cucamonga, California 91730

Gentlemen:

We have examined the balance sheet of the Water - General Fund, Sewer - General Fund, Water Bond Building Fund, Debt Service Funds, Water Improvement District No. 3, Assessment District No. 7 and Water Improvement District No. 5 of the Cucamonga County Water District as of June 30, 1975, and the related statements of operations and changes in fund balance of those funds, the Sewer Bond Building Fund and Fire Improvement District No. 4 for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Although we reviewed the accounting procedures for compliance with requirements of the Water Code for the State of California, as they appeared to us in our capacity as independent certified public accountants, we do not represent that we made legal interpretations of the Code or attempted to ascertain the existence or application of all regulatory measures.

Prior to July 1, 1968, the District, in common with other water districts, did not capitalize expenditures for utility plant. State requirements effective July 1, 1968, made it mandatory that all such expenditures be capitalized. As of July 1, 1968, District records of prior years were reviewed and summarized by management and a schedule of utility plant prepared. Although we reviewed

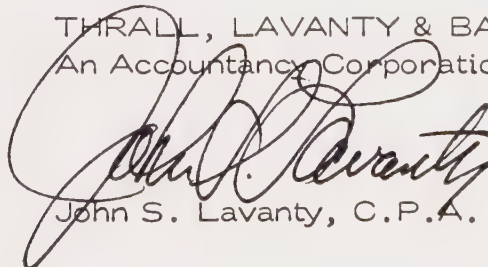
the schedule of utility plant as to reasonableness, the records maintained in prior years made physical verification of all assets and their valuation impractical.

In July, 1974 the District sold sewer utility plant which was acquired prior to July 1, 1968. Due to the limitation of records kept prior to July 1, 1968, as noted in the preceding paragraph, the original cost of the assets sold could not be determined. Management prepared an estimate of the original cost which was used to determine the extraordinary gain on sale of utility plant as shown on Exhibits H and V. Although we reviewed management's estimate as to reasonableness, the records maintained in prior years made verification of the valuation of the assets and the extraordinary gain impractical.

In our opinion, except for the limitation of the scope of our examination of fixed assets and the extraordinary gain on the sale of utility plant, as noted in the two preceding paragraphs, the accompanying financial statements present fairly the financial position of the Water - General Fund, Sewer - General Fund, Water Bond Building Fund, Sewer Bond Building Fund, Debt Service Funds, Water Improvement District No. 3, Assessment District No. 7, Water Improvement District No. 5 and Fire Improvement District No. 4 of the Cucamonga County Water District at June 30, 1975, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Respectfully submitted,

THRALL, LAVANTY & BASEEL
An Accountancy Corporation



John S. Lavanty, C.P.A.

CUCAMONGA COUNTY WATER DISTRICT

DEBT SERVICE FUNDS

SCHEDULE OF BONDED INDEBTEDNESS

June 30, 1975

	Original Issue	Outstanding 7-1-74	Redeemed	Outstanding 6-30-75
<u>GENERAL OBLIGATION WATER BONDS</u>				
<u>NO. 1</u>				
11-1-55 Issue:	\$ 1,200,000			
11-1-64/85 @ 3 1/2%		\$ 600,000	\$ 50,000	\$ 550,000
3-1-58 Issue: Series I	180,000			
3-1-69/78 @ 4%		60,000	15,000	45,000
5-1-58 Issue: Series II	1,250,000			
5-1-75/86 @ 3 3/4%		710,000	50,000	660,000
5-1-87/88 @ 3 1/2%		140,000		140,000
3-1-61 Issue: Series III	450,000			
3-1-71/83 @ 4%		180,000	20,000	160,000
3-1-84/90 @ 4 1/4%		139,000		139,000
6-1-68 Issue: Series IV	800,000			
6-1-70/79 @ 6 1/4%		85,000	15,000	70,000
6-1-80/81 @ 4 9/10%		40,000		40,000
6-1-82/86 @ 5%		135,000		135,000
6-1-87/91 @ 5 1/10%		170,000		170,000
6-1-92/98 @ 5 1/5%		315,000		315,000
4-1-72 Issue: Series V	1,020,000			
4-1-73/82 @ 7%		130,000	10,000	120,000
4-1-83 @ 5 1/4%		25,000		25,000
4-1-84 @ 5%		25,000		25,000
4-1-85 @ 5 1/10%		30,000		30,000
4-1-86 @ 5 1/5%		30,000		30,000
4-1-87 @ 5 1/4%		30,000		30,000
4-1-88 @ 5 3/10%		30,000		30,000
4-1-89/92 @ 5 2/5%		160,000		160,000
4-1-93/02 @ 5 1/2%		540,000		540,000
Totals		\$ 3,574,000	\$ 160,000	\$ 3,414,000
<u>WATER IMPROVEMENT DISTRICT NO. 2</u>				
8-1-57 Issue: Series I	\$ 100,000			
8-1-69/77 @ 5 3/4%		\$ 32,000	\$ 8,000	\$ 24,000
4-1-72 Issue: Series II	200,000			
4-1-73/92 @ 6%		190,000	5,000	185,000
Totals		\$ 222,000	\$ 13,000	\$ 209,000
<u>SEWER IMPROVEMENT DISTRICT NO. 1963-1</u>				
9-15-63 Issue: Series A	\$ 725,000			
9-15-67/75 @ 4%		\$ 40,000	\$ 20,000	\$ 20,000
9-15-76/83 @ 3 1/2%		200,000		200,000
9-15-84/93 @ 3 3/5%		360,000		360,000
9-15-65 Issue: Series B	775,000			
9-15-73/95 @ 3 9/10%		710,000	20,000	690,000
Totals		\$ 1,310,000	\$ 40,000	\$ 1,270,000
<u>ASSESSMENT DISTRICT NO. 7</u>				
9-1-70 Issue:	1,347,704			
7-2-71/80 @ 7%		\$ 842,393	\$ 195,771	\$ 646,622
TOTAL BONDED INDEBTEDNESS		\$ 5,948,393	\$ 408,771	\$ 5,539,622

CUCAMONGA COUNTY WATER DISTRICT

WATER - GENERAL FUND

INCOME STATEMENT

For the Fiscal Year Ended June 30, 1975

OPERATING REVENUES

Water Sales:		
Domestic	\$ 501,413	
Industrial	90,757	
Irrigation	56,746	
Other	<u>27,198</u>	\$ 676,114
Water Services:		
Fire Prevention	\$ 4,216	
Service Fees	<u>11,911</u>	<u>16,127</u>
Gross Operating Revenues		\$ 692,241

OPERATING EXPENSES

Source of Supply	\$ 21,848	
Pumping Operations	311,146	
Water Treatment	5,054	
Transmission and Distribution	69,504	
Customer Accounts	41,813	
General and Administrative	172,001	
Depreciation and Amortization - <u>Schedule I</u>	107,180	
Other Operating Expenses	<u>796</u>	
Total Operating Expenses - <u>Schedule II</u>		<u>729,342</u>
NET LOSS FROM OPERATIONS		\$ (37,101)

NON-OPERATING REVENUES AND EXPENSES

Rent and Lease Income	\$ 8,727	
Interest Income	11,092	
Connection Fees	21,376	
Revenue from Other Activities	8,309	
Other Non-Operating Revenues	5,958	
Expenses from Other Activities	<u>(6,082)</u>	
Net Non-Operating Income		<u>49,380</u>
NET INCOME - <u>Exhibit C</u>		<u>\$ 12,279</u>

CUCAMONGA COUNTY WATER DISTRICT

CONSOLIDATED BALANCE SHEET

June 30, 1975

<u>ASSETS</u>			<u>LIABILITIES AND FUND BALANCE</u>		
UTILITY PLANT:			LONG-TERM DEBT:		
Utility Plant In Service:			Bonds Payable - <u>Schedule IV</u>	\$ 5,539,622	
Water Systems	\$ 9,127,557		Note Payable - B of A - Long-Term		
Sewer Systems	4,754,831		Portion	38,905	
Utility Plant in Progress	<u>748,017</u>	\$ 14,630,405	Refunding Agreement - Alta Loma Acres	<u>12,186</u>	\$ 5,590,713
Less Accumulated Depreciation		<u>2,177,104</u>			
		\$ 12,453,301			
OTHER LONG-TERM ASSETS:			CURRENT LIABILITIES:		
Long-Term Investment		\$ 6,722	Accounts Payable	\$ 172,183	
Long-Term Portion of Note Receivable		<u>579,305</u>	Accrued Wages	6,315	
		586,027	Deposits - Customers	58,630	
CURRENT ASSETS:			Accrued Payroll Taxes and Insurance	10,730	
Imprest Cash		\$ 500	Estimated Liability for Easement (Note 4)	7,700	
Cash in Bank - Checking Accounts			Note Payable - B of A - Current Portion	<u>8,140</u>	263,698
(Note 8)		305,557			
Time Certificates of Deposit			DEFERRED CREDITS:		
(Note 9)		1,500,000	Acreage Assessments Received in Advance	\$ 9,630	
Accounts Receivable	\$ 152,742		Deposits	<u>17,428</u>	27,058
Less Allowance for Doubtful					
Accounts	<u>7,819</u>	144,923	FUND BALANCE: Exhibit U		
Bonds Held for Investment		10,369	Investment in Utility Plant	\$ 6,900,354	
Due from Assessment Districts' -			Investment in Long-Term Assets	586,027	
Custodial Account		81,425	Unappropriated	1,141,224	
Accrued Interest - On Deposits			Restricted to Debt Service Requirements		
(Note 10)		17,145	and Facility Construction	<u>881,648</u>	9,509,253
Inventory (Note 14)		229,067			
Current Portion of Note Receivable		<u>17,699</u>			
		2,306,685			
DEFERRED CHARGES:			TOTAL LIABILITIES AND FUND BALANCE		
Unamortized Bond Discount and					\$ 15,390,722
Issuance Costs	\$ 37,766				
Preliminary Survey and Investigation					
Charges	<u>6,943</u>	44,709			
TOTAL ASSETS		\$ 15,390,722			

CUCAMONGA COUNTY WATER DISTRICT
STATEMENT OF CHANGES IN CONSOLIDATED FUND BALANCE

For the Fiscal Year Ended June 30, 1975

CONSOLIDATED FUND BALANCE -
 July 1, 1974 \$ 8,096,823

Increase for 1974-75 from:

Consolidated Net Income -
Exhibit V

\$ 1,136,534

Utility Plant Contributed

485,898

\$ 1,622,432

Decrease for 1974-75 from:

Depreciation - Contributed
 Plant - Schedules I, III and VI

\$ (83,001)

Equity Transferred to Foothill
 Fire Protection District

(70,436)

Adjustment of Prior Year
 Billing to State of California
 for Relocation of Water Lines

(44,379)

Adjustment of Prior Year
 Contributions in Aid of
 Construction

(12,186)

(210,002)

1,412,430

CONSOLIDATED FUND BALANCE -
 June 30, 1975 - Exhibit T

\$ 9,509,253

CUCAMONGA COUNTY WATER DISTRICT

CONSOLIDATED INCOME STATEMENT

For the Fiscal Year Ended June 30, 1975

OPERATING REVENUES

Water Sales	\$ 676,114
Water Services	16,127
Sewer Services	148,534
Secured Taxes	530,468
Unsecured Taxes	67,347
Acreage Assessments	231,445
Prior Years Taxes or Assessments	<u>27,324</u>

Gross Operating Revenues

\$ 1,697,359

OPERATING EXPENSES

Source of Supply	\$ 21,848
Pumping Operations	311,146
Water Treatment	5,054
Transmission and Distribution	69,504
Collection and Transmission	85,043
Customer Accounts	41,813
General and Administrative	216,234
Depreciation and Amortization	193,516
Interest on Bonded Indebtedness	279,889
Fire Service Contract	20,000
Loss on Bonds Called	5,893
Other	<u>345</u>

Total Operating Expenses

1,250,285

INCOME FROM OPERATIONS

\$ 447,074

NON-OPERATING REVENUES AND EXPENSES

Rent and Lease Income	\$ 8,727
Interest Income	163,724
Connection Fees	41,500
Annexation Fees	6,640
Revenue from Other Activities	8,309
Other Non-Operating Revenue	5,958
Expenses from Other Activities	<u>(6,082)</u>

Net Non-Operating Revenues

228,776

EXTRAORDINARY GAIN

Gain on Sale of Utility Plant

460,684CONSOLIDATED NET INCOME - Exhibits U & W\$ 1,136,534

CUCAMONGA COUNTY WATER DISTRICT

STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION

For the Fiscal Year Ended June 30, 1975

SOURCES OF FINANCIAL RESOURCES:

Operations:

Consolidated Net Income - <u>Exhibit V</u>	\$ 1,136,534	
Add Expenses not Requiring		
Working Capital:		
Depreciation and Amortization	\$ 193,516	
Loss on Bonds Called	<u>5,893</u>	199,409
Less Revenues not Providing		
Working Capital:		
Extraordinary Gain on Sale		
of Utility Plant	<u>(460,684)</u>	\$ 875,259
Proceeds from Sale of Utility Plant		605,500
Utility Plant Contributed		485,898
Long-Term Borrowing:		
Loan from Bank of America	\$ 38,905	
Refunding Agreement	<u>12,186</u>	51,091
Decrease in Working Capital -		
<u>Schedule VII</u>		<u>416,825</u>
TOTAL SOURCES		<u>\$ 2,434,573</u>

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APPLICATION OF FINANCIAL RESOURCES:

Acquisition of Long-Term Assets:

Utility Plant - District	\$ 842,218	
Utility Plant - Contributed	485,898	
Note Receivable	579,305	
Investments	<u>216</u>	\$ 1,907,637
Retirement of Long-Term Debt -		
<u>Schedule IV</u>		408,771
Equity Transferred to Foothill		
Fire Protection District (Note 7)		70,436
Adjustment of Prior Year Billing		
to State of California for		
Relocation of Water Lines		44,379
Premium on Bonds Called		<u>3,350</u>

TOTAL APPLICATIONS

\$ 2,434,573

CUCAMONGA COUNTY WATER DISTRICT

CONSOLIDATED BALANCE SHEET

June 30, 1974

<u>ASSETS</u>			<u>LIABILITIES AND FUND BALANCE</u>		
UTILITY PLANT:			LONG-TERM DEBT:		
Utility Plant in Service:			Bonds Payable - <u>Schedule IV</u>		\$ 5,948,393
Water Systems	\$ 7,999,801				
Sewer Systems	4,627,890				
Fire Hydrants	1,707				
Utility Plant in Process	<u>869,596</u>	\$ 13,498,994			
Less Accumulated Depreciation		<u>1,951,777</u>			
		\$ 11,547,217			
OTHER LONG-TERM ASSETS:			CURRENT LIABILITIES:		
Long-Term Investment		6,506	Accounts Payable	\$ 92,803	
			Accrued Wages	5,079	
			Deposits - Customers	56,070	
			Accrued Payroll Taxes and Insurance	10,136	
			Estimated Liability for Easement (Note 4)	<u>7,700</u>	171,788
CURRENT ASSETS:					
Imprest Cash		\$ 230			
Cash in Bank - Checking Accounts					
(Note 8)		391,827			
Time Certificates of Deposit (Note 9)		<u>1,900,000</u>			
Accounts Receivable	\$ 189,680				
Less Allowance for Doubtful					
Accounts	<u>6,775</u>	182,905			
Bonds Held for Investment		10,369			
Due from Trustee Accounts		483			
Accrued Interest - On Deposits (Note 10)		28,131			
Inventories (Note 14)		<u>95,702</u>			
		2,609,647			
DEFERRED CHARGES:			DEFERRED CREDITS:		
Unamortized Bond Discount and			Acreage Assessments Received in Advance	\$ 9,326	
Issuance Costs		51,796	Deposits	<u>870</u>	10,196
Preliminary Survey and Investigation					
Charges		<u>12,034</u>			
TOTAL ASSETS			FUND BALANCE:		
		\$ 14,227,200	Investment in Utility Plant	\$ 5,650,620	
			Investment in Long-Term Assets	6,506	
			Unappropriated	1,703,739	
			Restricted to Debt Service Requirements		
			and Facility Construction	<u>735,958</u>	8,096,823
TOTAL ASSETS			TOTAL LIABILITIES AND FUND BALANCE		
		\$ 14,227,200			\$ 14,227,200

**CUCAMONGA COUNTY WATER DISTRICT
IMPROVEMENT DISTRICT NO. 5
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT**

Estimated population (1976).....	26,000
Assessed valuation (1975/76).....	\$102,358,945
Estimated market value	\$417,393,000 ^①

	Applicable April 7, 1976	
	Percent	Amount ^②
Cucamonga County Water District, Improvement District No. 5	100.	\$2,000,000 ^③
Cucamonga County Water District	89.418	2,976,725
Cucamonga County Water District, Improvement District No. 2	100.	196,000
Cucamonga County Water District, Improvement District No. 1963-1	100.	1,230,000
San Bernardino County	4.340	22,351
Metropolitan Water District of Southern California ^④	0.256	1,416,244
Chino Basin Municipal Water District.....	12.034	1,823,154
City of Ontario	0.330	16,995
Alta Loma School District.....	99.398	1,167,927
Central School District.....	97.239	408,404
Cucamonga School District	74.093	1,326,265
Upland School District	0.112	1,638
Chaffey Unified High School District.....	19.427	1,222,958
Chaffey Community College District.....	12.044	78,286
Total Estimated Direct and Overlapping Bonded Debt.....		\$13,886,947
Less: Cucamonga County Water District, Improvement District No. 2 (100% self-supporting).....		196,000
City of Ontario (water and sewer 100% self-supporting).....		3,344
Total Estimated Net Direct and Overlapping Bonded Debt.....		\$13,687,603

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	Ratio to		
	1975/76 Assessed Valuation	Estimated Market Value	Per Capita
Direct Debt	1.95%	0.48%	\$ 77
Gross total debt.....	13.57	3.33	534
Net total debt.....	13.37	3.28	526

Estimated Authorized and Unsold Bonds:

Cucamonga County Water District, Improvement District No. 5.....	\$ 6,000,000	Alta Loma School District.....	\$ 401,938
Metropolitan Water District, general obligation	365,000,000	Central School District.....	455,000
		Cucamonga School District.....	750,000

① The State Board of Equalization reports that 1975/76 San Bernardino County assessed valuations average 24.5 percent of full value. Public utility property (\$4,873,450) used for utility operations is assessed by the State at about 25 percent of full value.

② Excludes improvement districts share of the following obligations: San Bernardino County Building and Library Authorities (\$14,940,000); Cucamonga County Water District, Assessment District No. 7 (\$533,852) 1915 Act Bonds.

③ Waterworks Bonds, Election 1975, Series 1 to be sold April 7, 1976.

④ Does not include Metropolitan Water District revenue bonds.

Source: Based on information obtained from the San Bernardino County Auditor/Controller.

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